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January 4, 2001

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
Office of the United States Trade Representative.
600 17th Street, N.W.
Washington, D.C. 20508

PUBLIC VERSION

Re: Comments in Connection with Inv. No. TA-201-73 (Certain Steel Products)

Dear Madam Secretary:

On behalf of the Association of Specialty Cold Rolled Strip Producers of Germany, Austria and Sweden ("SAGA"), enclosed please find comments regarding the actions that the President should take in connection with the above-referenced investigation. These comments are filed pursuant to the United States Trade Representative's October 26 and December 28, 2001 Notices in the Federal Register (66 Fed. Reg. 54321, and 66 Fed. Reg. 67349, respectively). Please do not hesitate to contact us if you have any questions regarding this submission

Respectfully submitted,
BARNES, RICHARDSON & COLBURN

By: Gunter von Conrad
Gunter von Conrad
Matthew T. McGrath
Counsel to SAGA

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BEFORE THE
TRADE POLICY STAFF COMMITTEE
OFFICE OF THE
UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT

In the Matter of Review of the Investigation of **Certain Steel Products**	)	Investigation No. TA-201-73

COMMENTS
of
THE ASSOCIATION OF SPECIALTY COLD ROLLED STRIP PRODUCERS OF GERMANY, AUSTRIA AND SWEDEN

EXECUTIVE SUMMARY

As a general matter, SAGA supports and endorses the comments submitted on behalf of the European Confederation of Iron and Steel Industries, in that trade restrictive import relief is not appropriate to address the problems experienced by the U.S. steel industries, especially with regard to imports from the European Community. However, if the President concludes that trade restrictive measures must be imposed, SAGA believes that certain specialty products should be excluded from that remedy. Also, if trade restrictive remedies are imposed, SAGA suggests the use of a value break as an appropriate mechanism to take account of the fact that various high priced specialty products could not have been contributing to any injury suffered by the domestic industry and should not be subject to import relief.

I. OVERVIEW

These comments on the actions that the President should take in the above-referenced investigation are filed pursuant to leave granted by the Office of the United States Trade Representative ("USTR") set forth in the Federal Register, Vol. 66. No. 208 of October 26, 2001, on behalf of the Association of Specialty Cold Rolled Strip Producers of Germany, Austria and Sweden ("SAGA"). SAGA believes that any action taken by the President with regard to cold rolled sheet and strip or flat products generally should exclude a variety of specialty flat products which are not produced in the United States, are not made in sufficient quantity in the United States to satisfy domestic demand, or are not made in the United States to the specifications needed by domestic consumers. The majority of the Commissioners in this case appear to have left the decision on exclusions to USTR. The plurality of the Commission noted in their opinion that USTR has separately requested and will evaluate exclusion requests and that the President may find a basis for exclusions through the USTR process. Likewise, Commissioner Bragg Commissioners Bragg did not elaborate on the lack of product exclusions in her recommendation, except to note that USTR has established a mechanism to deal with this issue. Commissioner Okun stated, that if the President does not implement her quota recommendation, the President should carefully examine the responses of the domestic industry regarding exclusion requests and exclude those products that are not produced or not produced in commercially meaningful amounts by the domestic industry from any non-quota based remedy. SAGA contends that its products should be excluded as they are not produced in the United States or nor produced in commercially meaningful quantities.

In the present case, the Commissioners have recommended either an increased tariff of up to 40 percent or a quota. The imposition of such strict import relief on specialty products which

are not available from domestic sources, not available in sufficient quantities to satisfy demand, or not available in required qualities, would cause substantial harm to U.S. consumers of steel products. Any safeguard relief which included such products would be excessive and would cause substantial economic harm to U.S. purchasers, consumers, and workers without providing any benefit to domestic producers. Additional information on each of the product for which exclusion is sought is included in Attachment 1.

As a general matter, SAGA supports and endorses the comments submitted on behalf of the European Confederation of Iron and Steel Industries, in that trade restrictive import relief is not appropriate to address the problems experienced by the U.S. steel industries, especially with regard to imports from the European Community. Most imports from Europe, and certainly all of the specialty products addressed herein, did not contribute to any problems of the industry, and there are numerous remedial orders in affect covering all categories of steel product. However, if the President concludes that trade restrictive measures must be imposed, SAGA suggests the use of a value-break as an appropriate mechanism to take account of the fact that various high priced specialty products could not have been contributing to any injury suffered by the domestic industry and should not be subject to any import relief.

II. THE PRESIDENT'S OBLIGATIONS IN CRAFTING A REMEDY

In establishing a remedy, the statute requires that the President take all "appropriate and feasible action within his power which the President determines will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic benefits than costs."[1] In making its recommendation, the President is limited by section 2253(e) to actions in which the "cumulative impact of such action does not exceed the

[1] 19 U.S.C. §2253(a)(1)(A).

amount necessary to prevent or remedy the serious injury."[2] These limitations are reflective of the WTO Agreement on Safeguards which explicitly provides that a member may "apply safeguard measures only to the extent necessary to prevent or remedy serious injury and to facilitate adjustment."[3]

In determining what action to take, the President is required to take into account the short- and long-term economic and social costs of the actions...relative to their short- and long-term economic and social benefits....[4] The President must also consider the "effect of the implementation of actions under this section on consumers and on competition in domestic markets for articles."[5]

Therefore, any remedy must be crafted to the absolute minimum amount of relief necessary to prevent injury or to facilitate positive adjustment. The remedy must not provide greater economic and social benefits than costs. The remedy must take into account the effect of the remedy on domestic consumers and on competition in domestic markets.

In the present case, the inclusion of SAGA specialty products either not made or only made in limited quantities by the domestic industry is not necessary to remedy the injury found by the Commission nor is it necessary to the purpose of facilitating the efforts of the domestic industry to make a positive adjustment to import competition. Therefore, inclusion of such products within the remedy would exceed the absolute minimum amount of relief necessary to remedy the injury and to facilitate adjustment. SAGA members produce a variety of specialty

[2] 19 U.S.C. § 2253(e)(2).

[3]Agreement on Safeguards, Article 4(1).

[4] 19 U.S.C. §2253(a)(1)(E).

[5] 19 U.S.C. §2253(2)(F)(ii).

items which are only produced by one or a few domestic producers and to SAGA's knowledge are not produced by the domestic industry in quantities sufficient to satisfy domestic demand. There is no indication that this fact would change after import relief. The lack of U.S. production or limited U.S. production has not been caused by imports but is simply an economic decision by U.S. producers or is simply a reflection of limited production capability.

SAGA contends that any promises by the domestic industry to make such products in the future cannot be considered as a basis to deny an exclusion request. Section 201 investigations involve fair trade. Only in unfair trade cases does the statute explicitly provide for a cause of action based on cases where "the establishment of an industry in the United States is materially retarded by reason of imports of that merchandise or by reason of sales (or the likelihood of sales) of that merchandise for importation,..."[6] By contrast, in fair trade cases, the statute does not provide for a cause of action based on retardation of U.S. industry development on account of imports. Under the law and precedent of the Commission, the issue is whether the Petitioners are currently producing the product at issue.

In addition, the imposition of safeguard relief on SAGA products would adversely effect domestic consumers without providing sufficient benefits to the domestic industry. As indicated in previous submission to USTR and the USITC, purchasers are willing to pay a premium for such products due to their specialty nature and unavailability or limited availability in the United States. Since the unavailability or limited availability of such products from domestic producers will not change in the near future, the imposition of a tariff or a quota on such products would unnecessarily raise the prices of such products for or limit their availability to domestic purchasers and would detrimentally effect such purchasers manufacturing operations.

[6] 19 U.S.C. §1673(2)(B).

The inclusion of such products in any remedy would also adversely effect the state of competition in the domestic market. This is especially true where there is only one or few U.S. producers or where alleged U.S. producers do not have the capability or incentive to serve the demands of the marketplace.

III. RESPONSE TO COMMENTS OF DOMESTIC PRODUCERS

SAGA is only aware of two submissions by domestic producers commenting on the exclusion requests for cold-rolled steel or flat products generally, one by the Association of Cold Rolled Strip Producers and one by Bethlehem Steel, LTV Steel, National Steel, and United States Steel.

A. Response to the Comments of the Association of Cold Rolled Strip Producers

SAGA would note that in its December 7, 2001 list of objections, the Association of Cold Rolled Strip Producers (ACRSP) did not object to the exclusion of the following items:

- **Texture Rolled Steel Strip for Retractor Springs (SORBITEX)** - A special texture rolled steel strip; Sorbitex is one of the trademarks this products is known by. It is a high carbon spring steel with a special grain structure aligned in a certain pattern. The product is used to make retractor springs for various products, including seat belts and window blinds. In its previous submissions to the Commission, ACRSP stated that the sole U.S. producer, Theis Precision Steel, the U.S. subsidiary of a German company, does not object to exclusion of this product.[7]

[7] Post-hearing brief on injury submitted by Adduci, Mastriani & Schaumberg, September 28, 2001. For further information on this product, please see the November 13, 2001 submission of SAGA to USTR. This product is number 23 on SAGA's list.

- **Cold rolled texture strip steel for retractor springs** - In its previous submissions to the Commission, ACRSP stated that the sole U.S. producer, Theis Precision Steel, the U.S. subsidiary of a German company, does not object to exclusion of this product.[8] See also the submission of Porter, Wright Morris & Arthur submitted on behalf of Kern-Liebers, USA Inc in support of this exclusion.
- **Bonderband -** This product is band, phosphated on one side only and is used in the production of needle bearings. In its previous submission to the Commission, ACRSP was unable to identify any U.S. producers and stated that if the product description requires that the steel be band phosphated on one side only, they are not capable of producing the product.[9] In fact, the technological property "band phosphated on one side only" is inclusive to and important to the product description.
- **Finally Annealed Electrical Steel Strip**[10]
- **Cold Rolled Steel Strip of 2 percent Nickel, T5 Tolerances and an r less than 8 my**[11]

SAGA would also note that in their post-hearing brief on remedy submitted to the USITC on November 13, 2001, ACRSP stated that they did not oppose the exclusion of "ski edge profile" cold rolled steel.[12] In their December 5, 2001 submission to USTR, however, ACRSP changed its position, without explanation, and stated that the description of the product was too vague and

[8] Id. For further information on this product, please see the November 13, 2001 submission of SAGA to USTR. This product is number 27 on SAGA's list.
[9] Id. at 13. For further information on this product, please see the November 13, 2001 submission of SAGA to USTR. This product is number 39 on SAGA's list . See also the submission of INA, USA submitted by Arent, Fox, Klintner, Plotkin & Kahn.
[10] See December 5 submission of Adduci, Mastriani & Schaumberg to USTR. For further information on this product, please see the November 13, 2001 submission of SAGA to USTR. This product is number 33 on SAGA's list .
[11] See December 5 submission of Adduci, Mastriani & Schaumberg to USTR. For further information on this product, please see the November 13, 2001 submission of SAGA to USTR. This product is number 57 on SAGA's list .
[12] See post-hearing brief of Adduci, Mastriani & Schaumberg, Noverber 13, 2001, fn at p. 5. . For further information on this product, please see the November 13, 2001 submission of SAGA to USTR. This product is number 31 on SAGA's list .

that there was "likelihood" that members of the Association, such as Gibraltar Steel, produce or can produce this product. ACRSP offers no explanation as to why it has now changed its position with regard to this product given that there was apparently enough information for them to decide not to oppose this product in their previous submission. SAGA believes that the Administration should exclude this product based on the fact that it is not made in the United States and the objections of the domestic industry have been vague and inconsistent.

For the remainder of SAGA's exclusion requests, the ACRSP simply states that the public information provided is too vague and that there is "likelihood" that various members produce or can produce the products. ACRSP accuses SAGA and other parties of trying to "hide the ball" by making specifications confidential. The fact remains that for various specialty products, the specifications are confidential and it would harm the business of foreign producers to reveal such trade secrets for the sole purpose of gaining the consent of the domestic industry to product exclusions. Based on the information provided by SAGA and other parties, ACRSP should have enough understanding of the nature of the products to determine whether or not or to what extent they serve the markets at issue. With regard to developing a public description for purposes of Customs enforcement, SAGA and its members, of course, are agreeable to a procedure before the TPSC or other authorized reviewing body to develop a public descriptions useful to Customs administration of the exclusion(s). Nevertheless, some SAGA members have now agreed to release certain specifications publicly in hopes of gaining domestic consent to their exclusion requests. Further information on these products is included in Attachment 1.

SAGA would also emphasize, that the ACSRP only claims that there is an "extremely high likelihood" that its members producer or can produce certain products. In many of these cases, the ASCRP has identified only one or a few possible U.S. producers. In the cases of strip

steel for doctor blades, open coil annealed strip for steel rules and die steel, steel rules, blank band, crystal saw & surry blade steel for semiconductor industries, and trimetal strip steel, the ACSRP only identifies one potential U.S. producer. Even assuming this claim to be true, the inclusion of such products in any remedy would adversely effect the state of competition in the domestic market, by forcing consumers of such specialty steel to rely on one source of supply.

SAGA would also note that ACRSP in its previous submissions to USITC admitted that they could not supply enough "wood band saw steel" or "crystal and slurry blade steel" to satisfy the needs of U.S. consumers of the products.[13] In their submissions to the Commission, the members of the Association of Cold Rolled Strip Steel Producers only claimed that they could supply a "significant portion" of domestic needs for these products. While SAGA does not agree that these domestic producers are manufacturing the same product as SAGA members, even assuming their claims to be true, the imposition of import relief in such cases would only serve to create an artificial shortage of such products in the domestic market.

In regard to the exclusion requests of other parties that are similar to SAGA requests, such as flapper valve steel, shock absorber steel, die steel, ACRSP claim that they are produced in the United States and identify only a few domestic producers. In cases where the domestic industry has claimed that there are one or a few potential U.S. producers, assuming such claims to be accurate, the imposition of safeguard relief on such products would unnecessarily limit competition in the domestic market to the detriment of U.S. purchasers and their manufacturing operations.

Finally, SAGA would note certain discrepancies between the claims made by the ACRSP at the Commission and the claims it makes at the Office of the United States Trade

[13] For further information on SAGA exclusion requests for these products, please see the submission of Barnes, Richardson & Colburn to USTR on November 13, 2001.

Representative. As in its December 7, 2001 submission to USTR, ACRSP identified various alleged U.S. producers for SAGA's products in its September 28, 2001 submission to the Commission. A review of each of these documents reveals that in many cases, ACRSP identified different potential U.S. producers in its submission to the Commission from the potential U.S. producers identified in its submission to USTR. SAGA believes that the claims of the ACRSP should be given little weight in light of the vague and inconsistent nature of their responses before the Commission and the USTR.

B. Responses to the Comments of Bethlehem Steel, et al

In their response to exclusion requests, Bethlehem Steel et al claim that the SAGA exclusions are still under review because the request was not made available to domestic producers until December 3, 2001. In fact, SAGA has participated in this investigation since its initiation and made its exclusion requests as early as September 10, 2001 in it pre-hearing brief to USITC. Bethlehem Steel, et al, likewise has participated in this investigation since its inception and has had access to these exclusion requests since September 10, 2001. There is therefore no reason that Bethlehem, et al could not have provided comments on these requests in time for the December 5 deadline.

With regard to its response to the requests of other parties, some of which appear similar to SAGA requests, Bethlehem Steel varies among claiming that cold rolled strip producers may produce the product, claiming that the description is too vague, and claiming that one or a few domestic producers can make the product. With regard to claims of vagueness and claims of a few domestic producers, SAGA reiterates its statements above. For various specialty products, the specifications are confidential and it would harm the business of foreign producers to reveal

such trade secrets for the sole purpose of gaining the consent of the domestic industry to product exclusions. SAGA and its members are agreeable to a procedure before the TPSC or other authorized reviewing body to develop a public descriptions useful to Customs administration of the exclusion(s). Once again, in cases where the domestic industry has claimed that there are one or a few potential U.S. producers, assuming such claims to be accurate, the imposition of safeguard relief on such products would unnecessarily limit competition in the domestic market to the detriment of U.S. purchasers and their manufacturing operations.

Specifically with regard to Bethlehem's comments on "textured rolled carbon"[14] steel and "bonderized steel"[15]. In both cases, Bethlehem claims that the product descriptions is inadequate. In the case of "textured rolled carbon" steel, Kern-Liebers in facts submitted the complete chemical composition of the product in its case brief filed with the United States International Trade Commission on October 24, 2001, Exhibit I to Exhibit B. In the case of "bonderized cold rolled", extensive descriptions have already been submitted and the "approximated" rather than actual chemistries reported by INA, USA should be sufficient to determine whether Bethlehem can produce the product. In both cases, the descriptions provided were sufficient for ACRSP to determine that they do not have an objection to the exclusion of these products.

In supplying vague and evasive responses to the exclusion requests, the domestic industry is playing the same games as at the Commission. As Commissioner Okun stated in her remedy recommendation press release "the domestic industry producing flat products failed to supply to the Commission detailed, product-specific responses to many of the exclusion requests. The President should examine carefully those products."

[14] Request for exclusion submitted by AvestaPolarit Oy. See also submissions of Kern-Liebers.
[15] Request for exclusion submitted by INA, USA

IV. THE PRESIDENT SHOULD ESTABLISH A VALUE BREAK

The use of value differentials to safeguard both sensitive domestic industries and international trading rights of foreign suppliers which are both needed and demonstrably without detrimental effect on the United States producers, has been recognized in all international trade negotiations since the Havana Charter in the Harmonized Tariff System of the United States and its tariff statute predecessors for generations.[16] [17] The application of a value-break offers a practical means of tailoring a remedy to fit the dual requirements of remedial restraint, if any, and the assurance of non-excessive remedy construction.

The WTO Agreement on Safeguards throughout its text discusses the prerequisites of and conditions for the application of "safeguard measures" (plural)[18] making it clear that an individual measure where specifically referenced is not necessarily an exclusive remedial device, but that the word "a measure" or "the measure" must be read in the context of the limitation to any remedy to such devices as do not exceed the extent necessary to prevent or remedy serious injury and to facilitate adjustment.

In addition, the last sentence of Article 5.1 makes clear that the President not only has a choice of measures, but that it, "should choose measures most suitable for the achievement of these objectives."(emphasis supplied). These measures may include tariff increases or other remedies. The remainder of Article 5 deals largely with the application of quantitative

[16] The most instructive example thereof can be seen in the HTSUS Chapter 69 (Subchapters 6911 and 6912 relating to ceramic tableware) where amendments to the Tariff Act of 1930, have been enshrined into U.S. law, establishing a whole system of value-breaks for such dual safeguard purposes.

[17] The value-break concept has also been employed by the Commission in Nonrubber Footwear, Inv. # TA-201-55 (USITC Pub. 1717, July 1985) to distinguish products subject to quota and products not under quota. In Nonrubber Footwear, the Commission applied a quota remedy above the value-break to protect high-value domestic products of concern in that case. In the present case, it is the low-value imports which are of concern to the domestic industry. Therefore, here, any remedy should be applied to values below the value break. The principle, however, is the same: to allow a remedial mechanism by a value break.

restrictions, and their alotment among affected supplying countries, but provides flexibility in Article 5.2(a) in requiring that "...due account be( ) taken of any special factors which may have affected or may be affecting the trade in the product." (emphasis supplied). In the present investigation, one special factor is the inclusion in the scope of subject merchandise of products not made in the United States or not made in sufficient quantities in the United States and imported at a value higher than other U.S.-made flat products. If "due account" is taken of such special factors, the use of a value-break in any remedy is permitted and even mandatory to meet the test of non-excessiveness of the remedy.

In addition, in the remedy phase of a section 201 case, the Commission is authorized to recommend the following actions:

A. an increase in, or the imposition of, any duty on the imported article;

B. A tariff rate quota on the article;

C. A modification or imposition of any quantitative restriction on the importation of the article into the United States;

D. One or more appropriate adjustment measures, including the provision of trade adjustment assistance under the sub-chapter on adjustment assistance for workers;

E. Any combination of the actions described above.[19]

In the present case, various Commissioners have recommended either an increased tariff or a quota. In choosing among these proposed remedies, the President must take the appropriate and feasible action to facilitate the efforts of the domestic industry to make a positive adjustment to import competition and provide greater social benefits than costs.[20] (emphasis added). In

[18] See WTO Agreement on Safeguards, e.g. Preamble, Article 1, Article 2.2, Article 5, Article 6, Article 7, Article 10, Article 11, Article 12.
[19] 19 U.S.C. § 2252(e)(2).
[20] 19 U.S.C. § 2252(e)(1).

establishing a remedy, the President is limited by section 2253(e)[21] to actions in which the "cumulative impact of such action does not exceed the amount necessary to prevent or remedy the serious injury."[22]

A value break is consistent with the President's obligation under United States law and the WTO Agreement to provide a form of relief that does not exceed the amount of relief necessary to prevent or remedy serious injury. The Commission has previously provided for a value break in the 201 case involving Nonrubber Footwear.[23] In that case, the Commission applied a quota remedy above the value-break to protect high-value domestic products of concern in that case. The principle, however, is the same: to allow a remedial mechanism by a value break. The precedent created by Nonrubber Footwear remains applicable. In Nonrubber Footwear, the Commission found that "domestic producers cannot produce the volume of "low-cost" footwear necessary to meet consumer demand." In the present case, the evidence on the record before the USTR indicates that the domestic producers cannot supply a variety of high priced specialty steels in the volumes necessary to meet consumer demand. Although the Commission made no volume-break recommendation, in this case, this must be at least partially attributed to the lack of response of the domestic industry regarding exclusion requests for high priced specialty products. As Commissioner Okun stated in her remedy recommendation press release "the domestic industry producing flat products failed to supply to the Commission detailed, product-specific responses to many of the exclusion requests. The President should examine carefully those products."

In the present case, the use of a remedy encompassing all flat-rolled products would not do justice to products in specialty applications, not available in the United States, or in short

[21] 19 U.S.C. §2252(e)(3).
[22] 19 U.S.C. § 2253(e)(2). This mirrors the limitation of Article 5.1 of the Agreement on Safeguards.

supply. An important option would be make trade restrictions inapplicable above certain import prices. For instance, the President may rely on a value break based on imports priced above the average domestic price for the general product category.

V. CONCLUSION

For the above stated reasons, SAGA requests that the President exclude the above-referenced products from any remedy recommended in this investigation and suggests the use of a value-break as an appropriate mechanism to take account of the fact that various high priced specialty products could not have been contributing to any injury suffered by the domestic industry.

Respectfully submitted,

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Date: January 4, 2001

Counsel for SAGA

[23] Nonrubber Footwear, Inv. No. TA-201-55, USITC Pub. 1717, July 1985.

ATTACHMENT 1

Specific Exclusion Requests

1. Special Precision Strip Steel for Doctor Blades for Coating of Paper or for use in the Printing Industry

Special precision strip for the coating of paper and for use in the printing industry. The material is only used for the manufacturing of coater and printing doctor blades used in the paper and printing industry. HTSUS 7211.90.00.00. To SAGA's knowledge, there are only a few producers manufacturing the pre-material. Despite the claims of the domestic industry, to SAGA's knowledge, none of these are U.S. producers. [

].

2. Cold rolled and hardened and tempered strip steel for coater blades

The product is made for the end use specified and has no applications outside that use. This product requires sophisticated production techniques in the rolling and heat treating of cold-rolled steel. The product also requires very close tolerances in regard to thickness and width as well as exacting metallurgical requirements. [

] See also numbers 1, 3 and 4.

3. Coater Blade Steel

The product is used for industrial knives used in paper coating; HTSUS 7226.99.00. The product is made for the end use specified and has no applications outside that use. Specially developed machinery and devices are used to fulfill the requirements on straightness and edge finish. To SAGA's knowledge, this product is not made in the United States. See also number 1 above.
[

]

4. Doctor Blade Steel for rotogravure and offset printing

This product is used in the production of industrial knives for rotgravure and offset printing (this product, but with a surface plated with nickel phosphorus is already excluded from this investigation). HTSUS 7226.99.00. The product is made for the end use specified and has no applications outside that use. Specially developed machinery and devices are used to fulfill the requirements on heat treatment, straightness and edge finish. See also number 1 above. [

]

5. Cold rolled and hardened and tempered strip steel for shock absorber plates

The product is made for the end use specified and has no applications outside that use. This product requires sophisticated production techniques in the rolling and heat treating of cold-rolled steel. The product also requires very close tolerances in regard to thickness and width as well as exacting metallurgical requirements. Despite claims to the contrary, to SAGA's knowledge, there is no U.S. producer of this product. [
] See also numbers 6 and 15.

6. Shock Absorber Valve Steel for the automotive industry

This product is made for the end use specified and has no applications outside that use. Special developed machinery and devices are used to fulfill the requirements on hardening parameters and surface finish. See also number 5 above. [

].

7. Product 1095 ra greater than or equal to 8, width 24.5".

The product is a cold rolled strip for hardening with special low roughness (bright finish) in hard rolled condition and wide widths. To SAGA's knowledge, there is no U.S. production in these widths nor are there any substitute products. Production requires a wide strip mill, provided by special rolling technology and special grinded work rolls. [

] See also number 5 above.

8. Wood Band Saw Steel

This product is used for manufacturing band saws for wood cutting. Band saws require a high flatness, uniform grain structure and an exact harness of the strip material used. It should be noted that some band saw steel is already excluded from this investigation. However, the definition used is under-inclusive. HTSUS 7226.99.00.00. [

]

9. Cold rolled and hardened and tempered strip steel for band saws

The product is made for the end use specified and has no applications outside that use. This product requires sophisticated production techniques in the rolling and heat treating of cold-rolled steel. The product also requires very close tolerances in regard to thickness and width as well as exacting metallurgical requirements. For this reason, production and availability of this material is very limited in the United States. [
] See also number 8 above.

10. Cold rolled and hardened and tempered strip steel for chain saws

The product is made for the end use specified and has no applications outside that use. This product requires sophisticated production techniques in the rolling and heat treating of cold-rolled steel. The product also requires very close tolerances in regard to thickness and width as well as exacting metallurgical requirements. Despite claims to the contrary, to SAGA's knowledge, there is no U.S. producer of this product. [
]

11. Cold rolled and hardened and tempered strip steel for circular saws

The product is made for the end use specified and has no applications outside that use. This product requires sophisticated production techniques in the rolling and heat treating of cold-rolled steel. The product also requires very close tolerances in regard to thickness and width as well as exacting metallurgical requirements. For this reason, production and availability of this material is very limited in the United States. [
]

12. Product C 125 pin point

This product is used in the production of various types of saws, especially technical optimizing for hardening of saw tooths. SAGA is aware of some German producers of this product, but to SAGA's knowledge, there is no U.S. production. [

] Please see also numbers 8 and 9 above.

13. Cold rolled and hardened and tempered strip steel for die rules and cutting rules

The product is made for the end use specified and has no applications outside that use. This product requires sophisticated production techniques in the rolling and heat treating of cold-rolled steel. The product also requires very close tolerances in regard to thickness and width as well as exacting metallurgical requirements. For this reason, production and availability of this material is very limited in the United States. [

] See also numbers 18 and 19.

14. Open coil annealed strip (OCA) 1050/1065/1075 - steel rules and die steel

This product is a specialized cold rolled strip with no common name used after hardening in the U.S. by the paper and textile industry for steel rules and die steel. Despite claims to the contrary, to SAGA's knowledge there is no U.S. production capability for open coil annealed strip and no substitute products. [

] Please see also numbers 13, 14, 18 and 19.

15. Valve Steel

This produce is used in the manufacturing of compressor valves (air conditioning) and the valves in shock absorbers for the automobile industry. HTSUS 7211.90.00.00. Despite claims to the contrary, to SAGA's knowledge, there is no U.S. producer manufacturing strip steel for this specific application. [

]

16. Flapper Valve Steel

SAGA believes that this product is already excluded from the investigation. The product is made for the end use specified and has no applications outside that use. Despite claims to the contrary, to SAGA's knowledge, this product is not made in the United States. Specially developed machinery and devices are used to fulfill the necessary requirements for cleanliness and surface finish. The product is a High Carbon Precision Steel [

]

17. Scalpel and Razor Blade Steel

This product is used in the manufacturing of razor blades and for the manufacturing of medical instruments. Despite claims to the contrary, to SAGA's knowledge, there is no U.S. producer manufacturing strip steel for this specific application. [

]

18. Steel Rules

Steel rules are uniquely used for the manufacture of cutting and creasing application in the packaging industry. HTSUS 7217.10.90.00. Steel rules are manufactured from a high carbon strip steel according to the alloy composition [

] To SAGA's knowledge, there is insufficient U.S. production of steel rules with U.S. producers unable to meet the needs of the market. SAGA estimates that U.S. producers can only serve 20-30 percent of the market..

19. Rule Die Steel

The material is used for the manufacture of cutting tools for textile and leather (e.g. for car seats, shoes, etc.) HTSUS 7217.10.90.00. [

]

20. Bi-Metal Strip

The is a combination of two different steel grades. The material is used for the manufacturing of band saws, hand hack saws, hole saws and reciprocating saws for metal cutting. The product must have tight flatness tolerances, a uniform grain structure, an exact straightness, tight tolerances and a homogeneity of the strip used. The manufacturing process requires special

equipment and specific expertise different from the equipment used to produce commodity cold rolled strip steel. HTSUS 7226.92.80.50. [

] Despite claims to the contrary, to SAGA's knowledge, this product is not made in the United States in sufficient volume and specified properties. To SAGA's knowledge, there is only one U.S. producer [ ] manufacturing bi-metal strip for this specific application and some in house welders.

21. Bimetal Strip Steel for the manufacturing of different kinds of heavy duty saws and power saw tool components

The product is made for the end use specified and has no applications outside that use. HTSUS 7226.99.00. This product is a combination of two different steel grades. Specially developed machinery and devices are used to fulfill requirements on precision welding, flatness, straightness and edge finish. Despite claims to the contrary, to SAGA's knowledge, this product is not made in the United States in sufficient volume and specified properties. See also number 20 above. [

]

22. Bimetal Steel Strips for Textile Machine Parts

The product is made for the end use specified and has no applications outside that use. Specially developed machinery and devices are used to fulfill the requirements on precision welding, flatness, straightness and edge finish. Despite claims to the contrary, to SAGA's knowledge, there is no U.S. production with the required quality standard. [

]

22. **Texture Rolled Steel Strip (SORBITEX)**

SORBITEX is a special texture rolled steel strip. It is a high carbon spring steel with a special grain structure aligned in a certain pattern; HTSUS 7211.29.20.30 and 7211.29.45.00. The product is used to make retractor springs for various products, including seat belts and window blinds. [

] The domestic industry states that the sole U.S. producer, Theis Precision Steel, the U.S. subsidiary of a German company, does not object to exclusion of this product.

24. Cold rolled strip steel for industrial blades

Chemical composition: Carbon 0.98-1.05 percent; Silicon 0.15-0.30 percent; Manganese 0.4-0.6 percent; Sulpher less than 0.005 percent; Phosphorus less than 0.2 percent; aluminum less than 0.01 percent; Chromium 0.15-0.4 percent; Copper less than 0.15 percent; Nickel less than 0.15 percent. Hardness: HV 280-320. Width from ½ inch through 1 inch. Thickness from 0.009 through 0.025 inches; thickness tolerance plus/minus 0.006 inches; edges deburred. The product is made for the end use specified and has no applications outside that use; HTSUS 7226.92.70.50. This product requires sophisticated production techniques in the rolling and heat treating of cold-rolled steel. The product also requires very close tolerances in regard to thickness and width as well as exacting metallurgical requirements. Despite claims to the contrary, production and availability of this material is very limited in the United States and there are no substitute products.

25. Cold rolled and hardened and tempered strip steel for springs

The product is made for the end use specified and has no applications outside that use. This product requires sophisticated production techniques in the rolling and heat treating of cold-rolled steel. The product also requires very close tolerances in regard to thickness and width as well as exacting metallurgical requirements. For this reason, production and availability of this material is very limited in the United States. See also number 36. [

]

26. Cold rolled strip steel for trowels - hardened and tempered

The product is made for the end use specified and has no applications outside that use. This product requires sophisticated production techniques in the rolling and heat treating of cold-rolled steel. The product also requires very close tolerances in regard to thickness and width as well as exacting metallurgical requirements. Despite claims to the contrary, to SAGA's knowledge, production and availability of this material is very limited in the United States. Chemical composition: Carbon 0.70-0.80 percent; Silicon 0.25-0.50 percent; Manganese 0.6-0.8 percent; Sulpher less than 0.03 percent; Phosphorus less than 0.03 percent; aluminum less than 0.01 percent; Chromium 0.3-0.4 percent; Copper less than 0.15 percent; Nickel less than 0.15 percent. Hardness: HRC 41-43. Width from .018 through .078 inches. Thickness from 3.5 through 8.125 inches; surface bright polished AND Carbon 0.98-1.05 percent; Silicon 0.15-0.30 percent; Manganese 0.4-0.6 percent; Sulpher less than 0.005 percent; Phosphorus less than 0.02 percent; aluminum less than 0.01 percent; Chromium 0.15-0.4 percent; Copper less than 0.15 percent; Nickel less than 0.15 percent. Hardness: HRC 75-78. Width from .018 through .078 inches. Thickness from 3.5 through 8.125 inches; surface leather polished

27. Cold rolled texture strip steel for retracting springs

Chemical composition: Carbon 0.79 - 0.82 percent; Silicon 0.15 - 0.25 percent; Manganese 0.4 - 0.5 percent; Sulpher less than 0.003 percent, Phosphorus less than 0.02 percent; Aluminum 0.02 - 0.035 percent; Chromium 0.08 - 0.15 percent; Copper less than 0.12 percent; Nickel less than 0.10 percent. Tensile strength 276,000 - 348,000 PSI; Width from 0.3 inches through 12 inches. Thickness from 0.0045 inches through 0.011 inches; thickness tolerance plu/minus 0.0002 inches; edges deburred. HTSUS 7211.29.20.90 and 7211.29.60.80. The product is made for the end use specified and has no applications outside that use. This product requires sophisticated production techniques in the rolling and heat treating of cold-rolled steel. The product also requires very close tolerances in regard to thickness and width as well as exacting metallurgical requirements. For this reason, production and availability of this material is very limited in the United States. The domestic industry states that the sole U.S. producer, Theis Precision Steel, the U.S. subsidiary of a German company, does not object to exclusion of this product.[24] See also number 23.

28. Cold rolled strip steel for measuring tapes

Chemical composition: Carbon 0.98-1.05 percent; Silicon 0.15-0.30 percent; Manganese 0.4-0.6 percent; Sulpher less than 0.005 percent; Phosphorus less than 0.2 percent; aluminum less than 0.01 percent; Chromium 0.15-0.4 percent; Copper less than 0.15 percent; Nickel less than 0.15 percent. Tensile strength 145,000 - 160,000 PSI; Width from ½ inch through 20 inches. Thickness from 0.0045 through 0.0056 inches; thickness tolerance plus/minus 0.0003 inches; edges deburred. In addition, the same specifications in its hardened and tempered form: Hardeness: HV 580-650. The product is made for the end use specified and has no applications outside that use; HTSUS 7211.29.20.90, 7211.29.60.80, 7226.92.50.00 and 7226.92.70.50.. This product requires sophisticated production techniques in the rolling and heat treating of cold-rolled steel. The product also requires very close tolerances in regard to thickness and width as well as exacting metallurgical requirements. Despite claims to the contrary, to SAGA's knowledge, there is no U.S. producer of this product nor are there any substitute products. Based on market experience, SAGA estimates the following for Total U.S. Consumption:

29. Certain Alloyed Clutch Spring Steel

This product is used by automotive subcontractors and clutch producers. [

]

This is a tailor-made material made to customer specifications and is not produced in the United States. HTSUS 7226.92.80.

[24] Id. at 10.

30. Certain Alloyed Clutch Spring Steel

This product is used by automotive subcontractors and clutch producers. HTSUS 7226.92.50 and 7226.92.80. [

] This is a custom made material produced to customer specification and is not produced in the United States.

31. Ski Edge Profile

This product is used by the ski-and snowboard industry. HTSUS 7228.60.80 and 7216.69.00. [

]
Despite claims to the contrary, to SAGA's knowledge, there is no U.S. steel mill producing this material.

32. High Carbon Deep Drawing Steel Alloyed

This product is used in the stamping and tooling industry. This product must have special tolerances with regard to thickness, tensile strength and surface condition. All material is produced to customer specification; HTSUS 7211.29.60, 7226.92.50.. [

] Despite claims to the contrary, to SAGA's knowledge, there is only limited U.S. production of this material.

33. Finally Annealed Electrical Steel Strip

The product is used by the electrical motor industry; HTSUS 7225.19.00 and 7226.19.10. Coated with an insulating laquer modified according to customer's specification. The product has tailor-made insulation and a uniform microstructure which provides good stamping properties, low thickness deviation across the width leading to optimal stacking in the customer's process. [

] There is only limited U.S. production of this product in the United States.

34. Certain Lapping Carrier Steel

The product is used in the computer industry. HTSUS 7209.17.00, 7225.50.80, 7226.92.50. [

] To SAGA's knowledge, there is no U.S. production of this product according to these specifications.

35. Certain Lapping Carrier Steel

The product is used in the manufacture of special carriers for semi-conductor lapping. The product is made for the end use specified and has no applications outside that use. Despite claims to the contrary, to SAGA's knowledge, the product is not made in the United States. Specially developed machinery and devices are used to fulfill requirements on precision flatness. [

]

36. High Precision Spring Steels

This product is used for critical parts like dynamically loaded components, helical springs, etc. HTSUS 7226.99.00. The product is made for the end use specified and has no applications outside that use. Despite claims to the contrary, to SAGA's knowledge, the product is not made in the United States. Specially developed machinery and devices are used to fulfill requirements on microstructure, precision flatness, and edge finish. [

]

37. Feeler Gauge Steel

This product is a cold-rolled hardened and tempered strip steel for measurement gauges and devices; HTSUS 7211.90.00. Due to the very narrow width specification this product was previously excluded from antidumping and countervailing duty orders. The product is made for the end use specified and has no applications outside that use. Specially developed machinery and equipment are used to fulfill the requirements on very narrow thickness tolerances, precision flatness, surface and edge finish. To SAGA's knowledge, the product is not made in the United States in the thin sizes [

]

38. Reed Steel

This product is used in the manufacture of filter webs, textile webs, and technical webs of the finest mesh standards, glass, steel wire, synthetics, carbonfiberwebs, carrier lattices for microelectronic components; HTSUS 7211.90.00. The products is made for the end use specified and has no applications outside that use. Specially developed machinery and devices are used to fulfill requirements on straightness, accurate width tolerances and precision edge finish. Due to the very narrow width specification this product was previously excluded from antidumping and countervailing duty orders. Despite claims to the contrary, to SAGA's knowledge, the product in not made in the United States. [

]

39. Bonderband

Band, phosphated on one side only, used in production of needle bearings. HTSUS 7226.99.00.00 and 7212.50.00.00. The band, phosphated on one side only, provides numerous advantages to producers of needle bearings. To SAGA's knowledge, this product is not made in the United States. Qualities MRS 4/43; C15M; 16MnCr5M. Phosphated and soaped surface; extremely low stretch limits and toughness through special heat treatment. The technological property "band phosphated on one side only" is inclusive to and important to the product description. The domestic industry does not identify and U.S. producers and states that if the product description requires that the steel be band phosphated on one side only, they are not capable of producing the product. [ ].

40. Blank band

This product is used in the automobile industry for the production of a specialty product for motor controls; HTSUS 7226.92.80.50. While the domestic industry claims that Blair produces the three grades 16MnCr5, 16MnCr5M, and 16MnCr5M2, [

].

41. Product 1075 T5 Tol. And better, 24.5 inch width

This product is used in the production of special parts (precision stamping) for the automotive industry and requires exact dimension.. To SAGA's knowledge, there is no U.S. production in these widths and no substitute products. [

]

42. Product 1095 T5 Tol. And better 24.5 inch width

This product is used in the production of special parts (precision stamping) for the automotive industry and requires exact dimension.. To SAGA's knowledge, there is no U.S. production in these widths. [

]

43. Certain cold-rolled hardened and tempered strip steel

Examples of this product are colled rolled white and bluepolished strip for the automotive industry and colled rolled white polished strip steel for the tool industry. The hardening and tempering is a subsequent heat-treatment of the cold-rolled strip steel which is followed by an additional surface treatment as white and color polishing or grinding. Such finishes are mainly used in the tool and automobile industries. To SAGA's knowledge, there is limited production of hardened strip steel in the United States and the U.S. industry does not manufacture such steel with special finishes. [ ]

44. Cold Rolled Steel Strip - SAE 1074 modified

This product is used for the production of racing bearing shells/cages and other bearing shells/cages; HTSUS 7226.92.80.50. [

]

45. Cold Rolled Steel Strip - SAE 1065 modified

The product has a modified analysis and extremely tight tolerances for various end-uses, rolled to special temper. HTSUS 7226.92.80.50. [

]

46. Cold Rolled Steel Strip - SAE 1045 modified

The product has a modified analysis - [ ] - and special rough surface for the production of high quality deep drawn toe caps; HTSUS 7225.50.80.85 and 7226.92.80.50.. [

]

47. Cold Rolled Steel Strip - SAE 1006 modified

This special grade was developed for the end use which is valves (in airconditioning systems); HTSUS 7225.50.80.85, 7226.92.50.00, and 7226.92.80.50. Modified analysis - [

]

48. Cold Rolled Steel Strip - SAE 1008 modified

HTSUS 7211.23.20.00. Modified analysis - [

]

49. Crystal saws and surry blade steel for semiconductor industries

This products is for the semiconductor industry and is used in crystal cutting. The product is made for the end use specified and has no applications outside that use. Despite claims to the contrary, to SAGA's knowledge, the product is not made in the United States. Specially developed machinery and devices are used to fulfill the requirements on precision straightness and edge finish. [

]

50. Steel for textile machine parts

The products is made for the end use specified and has no applications outside that use. To SAGA's knowledge, the product is not made in the United States for the required quality standard. Specially developed machinery and devices are used to fulfill requirements on thickness tolerances, precision flatness and edge finish. [

]

51. Crepping Blade Steel

The product is used for industrial knives used in paper crepping machinery. The product is made for the end use specified and has no applications outside that use. Despite claims to the contrary, To SAGA's knowledge, the product is not made in the United States. Specially developed machinery and devices are used to fulfill the requirements on precision flatness, straightness, and edge finish. [

]

52. Trimetal Strip Steel

The products is three strip materials, stainless strip steels and non iron materials are beam welded together) for critical resistor components in communication devices. The product is made for the end use specified and has no applications outside that use. Despite claims to the contrary, to SAGA's knowledge, the product is not made in sufficient quantities in the United States to satisfy demand. Specially developed machinery and devices are used to fulfill requirements on precision welding, flatness, straightness and accurate edge finish. [

]

53 Band Knife Steel

The product is used for industrial blades used in bread slicing. HTSUS 7226.99.00. The product is made for the end use specified and has no applications outside that use. To SAGA's knowledge, the product is not made in the United States. Due to the very narrow width specification, this product was previously excluded from antidumping and countervailing duty. Specially developed machinery and devices are used to fulfill requirements on straightness and

edge finish. [

]

54. Flat Wire

A tailormade product produced to customer specifications. The product is used in the automotive industry by retaining ring and hose claim producers. [

]

55. Cold Rolled Steel Strip to SAE 4130

This product is used for the production of scrapers and similar hardware; HTSUS 7226.92.80.50. [

]

56. Cold Rolled Steel Strip for Production of Scrapers and Similar Hardware

This product is required where good surface condition and consistency in hardness and mechanicals are essential; HTSUS 7226.92.80.50.. [

]

57. 2% Nickel T5 Tolerances and ra less than 8 my

To SAGA's knowledge, there are no U.S. producers of this product. [

]

BREED

BREED Technologies, Inc.
Air Bag & Seat Belt Divisions
7000 Nineteen Mile Road
Sterling Heights, MI 48314
810 726 3800

September 19, 2001

To Whom It May Concern:

BREED Technologies, Inc., respectfully, asks that Sorbitex 80 be excluded from any remedy that might be imposed the DOC as a result of the President's Section 201 Claim.

Sorbitex 80 is used by BREED to manufacture seatbelt retractor springs for our automotive safety restraint systems.

Presently there is no domestically owned manufacturer of texture rolled steel, Sorbitex 80, in the United States. It would economically penalize safety restraint manufacturing to impose tariffs and duties on steel for which there is no domestic source.

The apparent downturn in the U.S. automotive economy is negatively affecting all the participants. To make a domestically unavailable raw material more expensive will exacerbate the negative economic condition.

Again, we respectfully ask that the DOC exclude Sorbitex 80 from any remedy that might be imposed as a result of the President's Section 201 Claim.

If there are any specific questions regarding this material and the safety restraints industry, please do not hesitate to contact me.

Regards,

Harry Mamassian
Commodity Manager
BREED Technologies, Inc.

Cc: Mike Moloney

Starrett

EVANS RULE DIVISION
The L.S. Starrett Company
P.O. Box 40309
6555 Fain Street
Charleston, SC 29423-0309
Tel: (843) 797-2500
Fax: (843) 797-1107
(843) 569-1208
www.starrett.com

October 16, 2001

International Trade Commission
Washington, D.C.

Gentlemen:

As one of the (3) remaining producers of measuring tapes in the U.S., we are writing to explain our position of high carbon cold rolled strip steel for our product. First, we are aware of three mills that have tried to produce high carbon thin gauge strip steel, namely Theis, Zapp and Cold Metal Products. Our experience with each is as follows:

1. Theis – A good source for sorbitex spring steel but prices for measuring tape steel are not competitive and delivery performance has been extremely poor. We have tried numerous times in the past to purchase material from this mill with inconsistent results. This mill would rather produce stainless steel at better margins than tape steel and we were advised of that fact.

2. Zapp – This is a new mill in Dartmouth, MA that was initially suppose to be located near our Charleston, SC plant in a facility they own. We currently have a quarter of a million pounds of tape steel in inventory with numerous quality problems which we are trying to work through. Their delivery is, again, extremely poor and their (1) rolling mill could not produce sufficient steel for our needs. As with Theis, we were told that their number one priority is stainless. They would like a small amount of tape steel orders in the future, once the quality issues are corrected.

3. Cold Metal Products – An old Connecticut mill that was previously owned by Stanley, our major competitor. Their facility is adjacent to Stanley and even Stanley, I understand, only buys a limited amount of material from them. Stanley could more than take their entire production. We ran a trial sample of their material several years ago and the quality was adequate. With the Stanley requirements, however, we are not comfortable with their ability to meet our needs.

Although we have been in business for over 50 years and have sought domestic suppliers, Rome Strip Steel and Thompson Steel are unknown to us. We have never been contacted by them and they never quoted on our needs.

Finally, and most important, cheap imported complete tape measures are coming into the U.S. from China, Korea, and Japan. Duty on these products is insignificant and they all use inexpensive Asian steel. We are already having problems competing with these foreign tape manufacturers even though we now use foreign steel. Our employees cannot exist on an hourly rate far below our pay scale. We are definitely not playing on a level field.

I would be happy to discuss the poor shape of domestic manufacturers at length at your convenience.

Regards,

John J. Evans, Jr.
President

Jje/slg

Starrett®

THE L. S. STARRETT COMPANY
EVANS RULE DIVISION
6555 Fain Street • P.O. Box 40309 • Charleston, SC 29423-0309
Telephone (843) 797-2500 • Fax (843) 797-1107 • Fax (843) 569-1208

October 29, 2001

International Trade Commission
Washington, D.C.

Re: Exemption Request

Dear Sirs:

Please be advised that we are requesting an exemption from the 201 Steel Investigation for the product of Hardened and Tempered SAE 1075 to 1095 steel strip in the size range of ¼" to 1 ¼" in width and .004" to .006" in thickness.

We have tried unsuccessfully to obtain this material domestically.

Best Regards,

John J. Evans Jr.
President

C:\DOCS\Steel Exemption.doc

PACIFIC/HOE

PACIFIC/HOE SAW AND KNIFE COMPANY

2700 S.E. Tacoma St., P.O. Box 82155
Portland, Oregon 97282-0155 U.S.A
503/234-9501. FAX 503/234-2308
sales@pacific-hoe.com

October 31, 2001

United States International Trade Commission
Washington, DC 20436

Dear Commission:

We are a manufacturer of bandsaw blades used in the lumber manufacturing industry. We are the largest manufacturer of these saws in the United States. We have been manufacturing this product for over one hundred years. Extremely high quality bandsaw strip steel is used to make these blades. Specifications and tolerances are very exact for this steel. We import this raw material from Europe and Japan. There is no US Company that manufactures the strip bandsaw steel we use. Placing a duty on this material will greatly damage our company. Competition from Canadian manufacturers has hurt our business over the last three years. Canadian companies have a huge cost advantage with the low Canadian Dollar. The strong US Dollar has made it difficult enough to compete. A duty on the raw material would make our product uncompetitive with blades made in Canada where there is no duty. Profit margins on the blades are very small. A duty on this steel could put us out of the bandsaw manufacturing business.

We request that you consider the fact that there is no US manufacturer of bandsaw strip steel and the damage a duty on the product would do to domestic bandsaw manufacturers. We request that you exclude this raw material from any duties that may be established by this investigation.

Sincerely,

James P. Ruthven
Vice President

PACIFIC/HOE

PACIFIC/HOE SAW AND KNIFE COMPANY

2700 S.E. Tacoma St., P.O. Box 82155
Portland, Oregon 97282-0155 U.S.A
503/234-9501, FAX 503/234-2308
sales@pacific-hoe.com

October 31, 2001

United States International Trade Commission
Washington, DC 20436

Dear Commission:

We are a manufacturer of coater blades used in the paper manufacturing industry. We are the largest manufacturer of these blades in the United States. We have been manufacturing this product for over forty years. A very high quality steel raw material is essential for the manufacture of this product. We import this raw material from Europe. The material is Polished Blue Steel/SAE 1095 Strip Steel. There is no US Company that manufactures this steel. Placing a duty on this material will greatly damage our company. We will not be able to compete with foreign manufacturers of the finished blade. The strong US dollar has made it difficult enough to compete. A duty on the raw material would price our product out of the market and could ultimately close our Coater Blade Division.

We request that you consider the fact that there is no US manufacturer of this material and the damage a duty on the product would do to domestic coater blade manufacturers. We request that you exclude this raw material from any duties that may be established by this investigation.

Sincerely,

James P. Ruthven
Vice President

DU-MOR BLADE CO.

DOCTOR AND COATER BLADE SPECIALISTS

INCORPORATED 1956

International Trade Commission

November 5,2001

To whom it may concern;

We at Du-Mor Blade Co. over our 35 years of producing quality Doctor and Coater blades, have exhausted all Domestic sources for 1095 carbon steel, such as Theis Wallace Barnes, National Steel Service, Thompson Steel, Fox Valley and Nedwick Steel (American Steel Works).

Surface finish, blueing, hardness, width, camber and flatness were always outside of our specifications. All of these trials contained huge quantities of rejections, upwards from 80 to 90%, some were even received completely rusted. These trials cost our company thousands of dollars in production time, with absolutely no good results.

Common sense suggests that it would be more cost effective to buy from a domestic source, which would not be cheaper, but we would not have to deal with the long lead times and the problem of inventorying huge quantities of steel in our facility, but the fact of the matter is, that the U.S. suppliers have inconsistent that is more often bordering on poor to totally unuseable for our applications.

For Example: Attached please find paperwork of the previously mentioned "RUST" rejections from Thompson Steel.

In addition, if the American Steel manufacturers had a viable product of which we could use to manufacture our coater and doctor blades, why have they not contacted Du-Mor for business, etc.

Please feel free to contact me with any questions or further information required to help bring this matter to a conclusion.

Sincerely;

H. Christopher Morris
V.P.-Manufacturing & Quality Control

HCM/ko
enclosures

02 UNION LANDING ROAD • CINNAMINSON, NEW JERSEY 08077 • PHONE 856-829-9384 • FAX 856-829-9303
E-Mail: dumorblade@AOL.com • www.dumorblade.com

DU-MOR BLADE CO.

DOCTOR AND COATER BLADE SPECIALISTS

Thompson Steel Company
Mr. Ed Ryan
120 Royall Street
Canton, MA. 02021

August 22, 1995

Dear Mr. Ryan;

As per our phone conversation, I have enclosed photo's taken of the material we received 8-21-95. This was our Purchase Order # 48761 for 5000 lbs. .015 x 84MM Pol.Blue 1095 Coater Blade Steel.

We feel there is no need to send you a sample due to the severity of the rust. This material needs to be oiled well and each coil needs to be protected. These coils are destroying each other due to the metal strapping material and there is not enough cardboard between each coil to protect their edge.

Please notify me with a return authorization no.-so we can remove this material from our facility. Thank you.

Sincerely;

Elaine Morris-Eckenhoff

Elaine Morris-Eckenhoff
V.P.

EME/ee
enclosures
cc: Tom Knudsen

CINNAMINSON NJ 08077-0000

SOLD TO DU-NOR BLADE CO
1002 UNION LANDING RD
CINNAMINSON NJ 08077-0000

SHIP VIA

HEAT PAINTED

PLEASE INCLUDE INVOICE NO. WITH PAYMENT
TERMS ½ of 1% 10 DAYS—NET 30, INTEREST CHARGED ON OVERDUE ACCOUNTS

CUSTOMER NO.	SALESMAN NO.	DATE SHIPPED	INVOICE NO.	PAGE NO.
311780	10	9-01-95	722056	1

CUSTOMER ORDER NO.	MILL ORDER NO.	CUSTOMER SPEC NO.	CL	P/C	WIDTH	THICKNESS	T	F	E	BILL OF LADING	GROSS WGT.	NET WGT.	UNIT PRICE	AMOUNT
751	924600		54		3.30800	.01500	T	V	5	28190	4,022	4,022	2.6800	10,778.96-
		** MATERIAL RETURNED TO PLANT - RUST **												
		** REF. INV.# 721952 DATED 08/22/95 **												

CREDIT MEMO

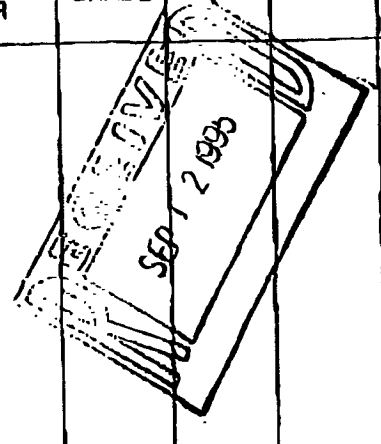
***** CREDIT MEMO NOTICE. *****

AMOUNT CREDITED TO YOUR ACCOUNT:

PAY THIS AMOUNT > 10,778.96-

PRODUCT CODE NO.	BILL OF LADING	HEAT NUMBER	GRADE	C	MN	PHOS	SUL	Si
095X01500TV5								

INVOICE DATE	IF PAID BY	DEDUCT
9-06-95		



GROSS LBS. 4,022
NET LBS. 4,022
NO. OF COILS 1

U.S. BLADE
Manufacturing Co. INC.

90 MYRTLE STREET • CRANFORD, NEW JERSEY 07016-3236
(908) 272-2698 • FAX (908) 272-2717 • 1 800-BLADE US

October 29, 2001

Ms. Diane Mazur
Investigator
United States International Trade Commission
500 East Street
Washington, DC 20436

RE: 201 on Steel: Inv. No. 201-73 Certain Steel Products Category 4, Cold-Rolled Steel: Exclusion Request for Industrial Blades

Dear Ms. Mazur:

We are purchasers of cold-rolled steel suitable for the production of "industrial blades." We have noted both the above-referenced exclusion request by the Association of Specialty Cold-Rolled Strip Producers of Germany, Austria and Sweden (SAGA) and the comments with regard thereto filed by the law firm of Adduci, Mastriani and Schaumberg under the date of September 11, 2001. **We are writing to stress our support of the exclusion request of SAGA for the following reasons:**

We have sought to purchase 1095 cold-rolled steel suitable for our production of industrial blades (industrial razor blades), but have been unable to obtain satisfactory quality of 1095 cold-rolled steel manufactured in the United States.

In particular, we believe that American Steel Works (and its related company Nedwick Steel) does not produce (manufacture) this grade of material, but is engaged in hardening and tempering of steel. 1095 cold-rolled steel offered by them to industrial blade manufacturers are of offshore origin, not manufactured in U.S.

Similarly, Blue Blade Steel Co. is likewise, not a manufacturer/producer of cold-rolled steel, but rather primarily a heat treating company. 1095 cold-rolled steel they may offer to sell to industrial blade manufacturers are also of offshore origins, not U.S. produced.

With regard to Thompson, they do have cold-rolling facilities, but do not offer/have not produced the specific qualities we require of our 1095 cold-rolled steel.

Lastly, Theis Precision, (a subsidiary of a German company) has not provided sufficient surface quality for our needs. We are further informed that other American (U.S.) companies producing industrial blades have met similar results and quality problems from the above-referenced companies.

In light of the foregoing, we urge that the exclusion request be granted, since we would lose our sources of acceptable quality supply, which would adversely affect our business and lower quality standards for products we provide to our industrial blade customers.

Very truly yours,

Matt Falk

Matt Falk, V.P.
U.S. Blade Mfg. Co., Inc.

Post Office Box 788
Drayton, SC 29333-0788

Phone: 864 – 585-8292
Fax: 864 – 583-6958

LIBERTY REED CO.

2991 South Pine Street
Spartanburg, SC 29302

E-Mail: Lire1918@AOL.com
http://www.liberty-reed.com

USITC
500 E. Street S.W.
Washington, D.C. 20436

October 31, 2001

RE: Cold Rolled Precision Strip Steel
Safeguard Investigation TA 201-73

Liberty Reed Company, Inc. is the only manufacturer of reeds for the Forming Fabrics, Wet and Dryer Felts in the United States. We are a tool maker for this type of production of filters used in the Paper industry. The product woven is very sensitive, as no scraping is allowed when this product is woven. These reeds can only use high quality reed steel, as the thickness and width tolerances, straightness, surface finish and accurate flatness must meet a certain tolerance. A reed that is 12000 mm long and longer usually has in excess of 48000 pieces of reed steel.

Since Liberty Reed started this production, we have always tried to find domestic suppliers. But unfortunately they are often unable to meet the strict tolerance requirement that is needed for this product. Since our customers are weaving the screens out of monofilament it is very important to have rounded edges on the steel.

For better understanding, we have enclosed a brochure from one of our suppliers. At this time there are only two suppliers worldwide that can produce reed steel, one is located in Sweden, the other in Germany.

We have heard that the US Steel Industry is concerned of "price dumping" and asking for additional duty charges for this material. This action would cause a lot of difficulties for Liberty Reed Co., as we export our reeds worldwide. We would have to increase our prices and therefore eliminate any possibility to export due to higher prices.

Enclosed is a letter from one of our suppliers. This really proves that the reed steel can not be produced to the necessary specifications. Another handicap for making this type of reed steel is that the quantities of the different sizes are not very big. We buy about 100 -- 500 pounds of the different thickness sizes and widths.

If you need more information on reed steel please feel free to contact me. We are prepared to discuss this concern with the commission.

Sincerely,

Ted Wagner
President, Liberty Reed Co., Inc.

Enclosures

300 Broad Street
Bristol, CT 06010-6659
Tel. (860) 585-6610 Fax: (860) 589-7411

THEIS
Precision Steel
Corporation

February 3, 2000

Liberty Reed Co.
P.O. Box 18277
2991 S. Pine Street
Spartanburg, SC 39302

Attention: Curt Wagner

Dear Curt:

After a thorough review of our process and capabilities of producing the reed steel material we supply to you, we regret to have to inform you that we can no longer partake in this business.

These items are time consuming, and we simply do not have the equipment to manufacture this steel to your quality standards.

Unfortunately, our lead times have extended to 14-16 weeks on this type of material. We also have increased our minimum order quantity requirement to 5,000 pounds per thickness.

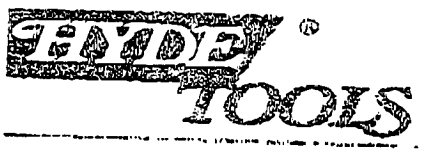
We do not like to turn away any business but after reviewing our capacity and capability, we must. We wish you much success and if things should change in the future we will contact you.

Sincerely,

Sharon Fede

Sharon Fede
Inside Sales Representative

cc: Joe Sjogren
Jack Schmidt



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Southbridge, MA 01550-1875 U.S.A.
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http://www.hydetools.com

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Barnes, Richardson & Colburn Attorney's at Law 11/15/01

C/O Mr. Thomas Costello – Sales Agent

RE: 201 Steel / Exclusion Request

Fax: 856-768-3536

Gentlemen,

We are purchasers of cold rolled high carbon steel of suitable quality for the production of Putty and Scraper Knives. We have noted the exclusion request by the Association of Specialty Cold-Rolled Strip Producers of Germany, Austria and Sweden (SAGA). We are writing to support the exclusion request by of SAGA.

We have purchased 1074 cold rolled steel suitable for the production of this product from Bilstein Gmbh & Co., a re-roller of steel located in Hagen, Germany for 20 years. Bilstein has supplied steel of excellent quality during this period and has not engaged in the "dumping" of steel or sold at prices less than "normal value". We, further, have found that the steel produced by this company has consistently been of higher quality than steel produced by domestic competing industry.

In order to effectively compete in a world market, increasingly being saturated with low cost China made product, it is critical to our survival as a 126-year-old USA manufacturer, that high quality, competitively priced steel continues to be available.

We urge, therefore, that the exclusion request be granted.

Very truly yours,

Allen T. Baker
Director of Supplier Relations

Thomas E. Costello - Sales Agent
2 Andrew Wyeth Way,
Marlton, New Jersey 08053
Phone 856-768-8213
Fax 856-768-3536

October 26, 2001

United States International Trade Commission
Washington, D.C.

RE: Investigation No. TA-201-73 - STEEL

Dear Sir/Madam,

I am the North American Sales Agent representing the German Cold Rolled Strip Steel producers Hugo Vogelsang GmbH and their parent company, Bilstein GmbH. I have been their American representative since September 1997. I have over 30 years of direct sales and marketing experience in the U.S. Cold Rolled Strip Steel industry having been employed over the years by several domestic as well as foreign producers of this particular type of material. I know this market very well.

Based on the committee's decision this past Monday, 22 October, in regard to the injury phase of the current Section 201 investigation, I felt compelled to write down and submit to the commission my views regarding certain basic misinformation submitted by the domestic Association of Cold Rolled Strip Steel Producers in their post-hearing brief. This mainly references their purported ability to successfully supply domestic users of these particular cold rolled strip steel products in the quality and quantities that they require, and the stated belief that the domestic industries problems can be directly linked to "low cost" foreign imports. Secondly, I would like to make the committee aware of potential repercussions to be felt by U.S. manufacturers and their American employees as a result of the decisions to be handed down by the committee in the coming weeks if exemptions in most of these product categories are not granted.

The domestic association proclaims that serious injury is being caused to domestic producers because they are forced to sell at low prices due to increased imports. In the case of the precision products manufactured by Hugo Vogelsang and Bilstein that I sell to our customers in the U.S. (a total of approximately 9,000 tons), this simply is not the case. What is closer to the truth is that we have a difficult task trying to meet the existing market pricing set by the domestic mills and in some cases sell at higher prices due to superior quality. Also in some cases, customers are willing to wait up to 4 to 5 months for delivery of our product, when they could receive it in 3 to 4 weeks from a domestic supplier at an equal or lower price.

The second misconception being trumpeted by the domestic association is that they have both the capacity to supply all of the domestic requirements and have the technical expertise to supply the quality products that customers of PRECISION cold rolled strip buyers require. The facts are that they possess neither. It is true that some domestic cold rolled mills have the equipment to theoretically produce close tolerance, high finish quality, fine edged strip for critical applications singled out in their brief to the committee, but ask yourself this question. Why would a customer wait 4 to 5 months and pay the market price or more, if they were confident they could buy similar material from a domestic producer? The answer to this question is quite simple. They can't. The domestics have tried feverishly over the years and cannot deliver what the customer requires.

A finding in favor of the domestic industry by the committee on these critical cold rolled strip products will put undue hardship on a great number of American manufacturers of precision products. These manufacturers will be forced to buy inferior quality material and at higher prices. It will also cost American manufacturing jobs. I know of at least one domestic manufacturer of strip steel for measuring tapes with a manufacturing facility in the Far East. He will simply move manufacturing out of the U.S. at the cost of several hundred American manufacturing jobs if his supply of acceptable material is forced to be discontinued.

I am not naive enough to think that there has not been material dumped into the U.S. at predatory low prices over the last several years. Some of it no doubtedly is in the area of cold rolled flat products. It is my contention however, that this certainly does not include the area of precision cold rolled strip steel which has to represent no more that a small fraction of total cold rolled material imported into this country and is available from only a few high quality producers in the rest of the world.

In conclusion, I strongly contend that there is in general a more serious threat of injury to U.S. manufacturing in regard to these types of precision products than there exists to the domestic cold rolled strip producers. As a result, the strip steels used to make these products should be granted an exemption by the commission in it's ongoing investigations.

Sincerely,

Thomas E. Costello
Sales Agent
Hugo Vogelsang GmbH
Bilstein GmbH

cc: Mr. Matthew T. McGrath
Mr. Stephen W. Brophy

Barnes, Richardson & Colburn
Washington, D.C.

ETASCO EASTERN TOOL & STAMPING CO., INC.
109 Ballard Street · Saugus, Massachusetts 01906
781 233-9800 FAX 781 233-9307
precise metal engineers

November 21, 2001

United States International Trade Commission
Office of Investigation - Room 615
500 E Street, S/W
Washington, DC 20436

Subject: Investigation TA-201-73 ADD/CVD Steel Products

Dear U.S. International Trade Commission Members,

As a steel using manufacturer, we are extremely concerned about the availability of high-quality steel at world competitive prices. Our company has approximately 95 full time employees engaged in the manufacture of heat treated components for North American footwear manufacturers and retailers. After United States Steel closed a particular facility around 1984, the quality of steel available in America has deteriorated rapidly. Ever since then our company has invested large amounts of time and money to develop domestic sources which could supply the quality of steel we must have to maintain product performance requirements as well as to remain competitive on a global basis. It is sad and frightening to say, after 17 years, we continue our commitment to develop reliable domestic sources but, literally, to no avail.

The fact is that we are reliant upon foreign sources for our steel. As the owner of the company states "Our company's survival is absolutely at stake".

While we are concerned about the problems the steel industry is facing, we are also worried about the impact that reduced availability of foreign steel will have on our business. Although we rely on very little steel from domestic producers, the domestic steel industry in only able to supply about 75% of the demand for steel in this country. Therefore, as a small 81-year old manufacturing business, we must have foreign steel available at the right time at a fair price so that we may be competitive in the world market.

EASTERN TOOL & STAMPING CO., INC.

United States International Trade Commission *11/21/01*

When considering action to aid the steel industry, please do not forget about the interests of steel users. **In the United States, steel-consuming industries employ more than 50 workers for every one worker in the steel industry.** Please give steel users an opportunity to tell our side of this issue before taking any action.

Creating additional trade laws and imposing quotas on imported steel would greatly harm our industry and are not the answer to the steel industry's problems. When considering this issue, we urge you **NOT** to take any extraordinary action that would endanger the availability of steel imports and harm downstream manufacturers and consumers.

Thank you for your support.

Sincerely,

Oswin F. Shiffman
V.P., Engineering

HYDE® TOOLS

√ø H. Wagener
√ø H. Eisenberg, IV

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Southbridge, MA 01550-1875 U.S.A.
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http://www.hydetools.com

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Barnes, Richardson & Colburn Attorney's at Law 11/15/01

C/O Mr. Thomas Costello – Sales Agent

RE: 201 Steel / Exclusion Request

Fax: 856-768-3536

Gentlemen,

We are purchasers of cold rolled high carbon steel of suitable quality for the production of Putty and Scraper Knives. We have noted the exclusion request by the Association of Specialty Cold-Rolled Strip Producers of Germany, Austria and Sweden (SAGA). We are writing to support the exclusion request by of SAGA.

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In order to effectively compete in a world market, increasingly being saturated with low cost China made product, it is critical to our survival as a 126-year-old USA manufacturer, that high quality, competitively priced steel continues to be available.

We urge, therefore, that the exclusion request be granted.

Very truly yours,

Allen R. Baker
Director of Supplier Relations

Tom C. hat Kopie an B, R + C gefaxt!

Ø H. Wagner / B. Vogt

Public Version

BEFORE THE TRADE POLICY STAFF COMMITTEE

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

In the Matter of Public Comments on Potential Action Under Section 203 of the Trade Act of 1974 With Regard to Imports of Certain Steel = 201/CVD

REQUEST OF INA USA CORPORATION TO EXCLUDE CERTAIN PRODUCTS FROM IMPORT RELIEF UNDER SECTION 203

Submitted by:

Stephen L. Gibson
Arent Fox Kintner Plotkin & Kahn, PLLC
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036-5339
Telephone: 202-857-6292
Counsel for INA USA Corporation

November 12, 2001

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A. Executive Summary

Pursuant to the public comment notice published by the Office of the United States Trade Representative in the Federal Register on October 26, 2001, 66 FR 54321, INA USA Corporation ("INA USA") hereby requests that the following products be excluded from any import relief that the President might impose in the pending Section 201 steel investigation under Section 203(a) of the Trade Act of 1974:

1. Certain uncoated cold-rolled strip (grades C80M and 16MnCr5M2).
2. Certain bonderized cold-rolled strip (grades C15M, MRST443, 16MnCr5M, and C16M).
3. Hot-rolled bar of ball-bearing steel, less than 30 mm in diameter.
4. Wire rod of ball-bearing steel.
5. Cold-worked bar of ball-bearing steel, less than 30 mm in diameter.

Imports of these products have not been a source of or contributor to any injury to the domestic steel industry but are crucial to INA USA's manufacture of bearings and other precision products. Subjecting these products to quota restraints or additional duties would impose serious hardship on INA USA without providing any meaningful benefit to the domestic steel industry.

B. Product Exclusion Requests

INA USA Corporation, headquartered in Fort Mill, South Carolina, is a U.S. producer of antifriction and linear bearings and precision engine components. It is a tier one supplier to the automotive industry and also produces bearings for other OEM applications and for general distribution sales.

All of INA USA's production is dependent on steel as an input material. By the nature of INA USA's products, the steels it purchases are engineered and developed for very specific applications, and the manufacturing process for each part produced by INA USA is set up around a particular specification of steel. While some of the steels--such as 52100 bar, rod, wire, and tube--are common to the bearing industry, others have been developed to meet the requirements of specific customer applications. Some of the steels are specialized European grades that are not commonly used or produced in this country.

The bearing industry has a fairly stable and well developed manufacturing supply base, consisting of a limited number of suppliers in the U.S. and abroad who are capable of producing the grades and sizes of steels that are needed for bearing production. The range of supply available to INA USA is limited in two respects. First, the steel producer must have a commitment to participating in the bearing steel market. This is a niche market, and many steel companies have concluded that servicing this market, with its relatively small size, rigorous technical demands, and special chemistries, does not fit their business plans. Second, the steel producer must demonstrate the ability to meet INA USA's specifications, which are driven by INA USA's desire to produce products of the highest quality in the most efficient manner possible, as well as by specific customer requirements. As a QS9000 registered company, INA

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USA has very strict processes in place to qualify suppliers of material for use in its products, which may also include obtaining customer approval. For every new steel supplier that INA USA develops and introduces into its production, there are many others that are unable to demonstrate the technical and quality controls that are a prerequisite to being a supplier of steel to the bearing industry in general and to INA USA in particular.

INA USA is involved in a highly specialized market that has extremely rigid quality standards and procedures, and the change from one steel to another for a particular application can take months or years to validate. Different recipes for steel cause the metal to react differently in the tooling and machinery. Physical characteristics such as hardness or hardenabilty, fatigue limits, etc. all are affected by the chemical make up and the production method of the steel, and quality control and freedom from defects vary from producer to producer. The trial process to qualify a new steel grade may require changes in custom made tooling, heat treat procedures, and production methods, as well as costly man-hours in both production and engineering. If the trial demonstrates that a product does not work in a particular application, or if a customer does not accept the revised part, the process must start all over again with a different grade or procedure. Thus, once a grade of steel is approved for a production of a particular part, it is difficult and costly to attempt to change to a different grade or supplier.

The vast majority of the steel purchased by INA USA is domestic in origin. However, as discussed more specifically below, there are certain types and grades of bearing quality steel that INA USA must purchase from foreign suppliers because the particular grades are not available from domestic steel producers or are not available in the requisite quality. INA USA requests that these steel products be excluded from any import relief imposed by the President under Section 203(a), since imports of the products have not contributed to injury to the domestic industry, and access to the products is essential to INA USA's production.

Information in response to the specific information requests in the October 26, 2001 notice is set forth below for each of the products for which INA USA requests exclusion.

1. **Certain Uncoated Cold-Rolled Strip**

(a) Designation and HTS Number

(i) Commercial Name: C80M and 16MnCr5M2 uncoated cold-rolled strip.
(ii) HTS Number: 7226.92.8050

(b) Physical Description

Uncoated cold-rolled strip of a width less than 300 mm and a thickness exceeding 0.25 mm, produced to the following chemistries:

	C80M	16MnCr5M2
C	.74-.80	.12-.16
Si	.10-.25	.10 max
Mn	.30-.60	.95-1.05
P	.025 max	.020 max
S	.015 max	.005 max
P+S		.020 max
Cr	.40-.55	0.75-0.85
Cu	.15 max	.10 max
Ni	.15 max	.10 max
N		.004-.008
Al	.02-.05	.020-.070
O2	0.0012 max	
Ti	0.002 max	
Sn	0.008 max	

(c) Basis for Exclusion Request

Grades C80M and 16MnCr5M2 cold-rolled strip are made to chemistries that were developed in Europe. INA USA's parent company in Germany has developed manufacturing processes using these grades for manufacture of specific articles in INA's product line, and access to these grades is essential to INA USA's production of such articles.

U.S. producers have had little, if any, interest in producing these specialized grades, and INA USA has been totally dependent on imports for this material. As discussed below, INA USA is seeking to qualify a U.S. producer for supply of one of these products, but the qualification process has not yet been completed.

(d) Names and Locations of Producers

The only source presently qualified by INA USA to produce C80M strip is Edelstahlwerke Buderus AG, Buderusstraße 25, 35576 Wetzlar, Germany, and the only source presently qualified by INA USA to produce 16MnCr5M2 strip is Roechling Kaltwalzwerk, Oberlochen, Germany. These companies, which are small specialized cold-rolled steel producers in Germany, produce the respective grades for consumption not only by INA USA, but also by other INA affiliates.

[ ] presently is in the qualification process with INA USA for supply of [ ] strip. Until the process is complete, INA USA will not know whether the [ ] material will meet INA USA's qualification requirements.

No other U.S. steel producer has indicated an interest in producing C80M or 16MnCr5M2 cold-rolled strip for INA USA. This presumably is because INA USA's annual consumption of these materials is quite small by steel industry standards, and the technical and quality requirements for the material are very high. Most steel producers have no interest in making special melts of steel for such small quantity demand, particularly where the steel must meet rigorous specifications.

(e) Total U.S. Consumption

Estimated and projected U.S. consumption of C80M and 16MnCr5M2 cold-rolled strip are set forth below, based on INA USA's purchases of these products.

Estimated (indexed)	Quantity (ST)	Value (USD)
1996	100	100
1997	118	118
1998	124	124
1999	135	136
2000	651	673

Projected (indexed)	Quantity (ST)	Value (USD)
2001	1,110	954
2002	960	820
2003	960	820
2004	960	820
2005	960	820

(f) Total U.S. Production

As far as INA USA is aware, there has not been any U.S. commercial production of these products.

(g) U.S.-Produced Substitutes for the Products

There are no direct replacements for C80M and 16MnCr5M2, and substituting other grades of steel, even if possible, would be very expensive and require a long lead time. This could make it infeasible for INA USA to continue U.S. production of certain parts if access to this material was restricted by import relief.

2. **Certain Bonderized Cold-Rolled Strip**

(a) Designation and HTS Number

(i) Commercial Name: C15M, MRST443, 16MnCr5M, and C16M, bonderized strip.

(ii) HTS Numbers: C15M and MRST443 7212.50.0000
16MnCr5M and C16M 7226.92.8050

(b) Physical Description

Cold-rolled strip of a width less than 300 mm and a thickness exceeding 0.25 mm produced to the following chemistries and coated (bonderized) on one side with a special phosphate coating:

	C15M	MRST443	16MnCr5M	C16M
C	.12-.15	.06-.09	.14-.18	.145-.194
Si	.12 max	.05 max	.10 max	.10 max
Mn	.50-.70	.55-.75	1.0-1.2	.75-1.0
P	.030 max	.030 max	.020 max	.02 max
S	.025 max	.020 max	.008 max	.010 max
P+S			.020 max	.025 max
Cr	.20-.40		0.85-1.05	.55-.70
Cu	0.2 max		10 max	.10 max
Ni	.20-.40		.10 max	.10 max
N		.004-.006	.004-.008	.004-.008
AL	.07-.120	.090-.160	020-.070	.020-.070

(c) Basis for Exclusion Request

Grades C15M, MRST443, 16MnCr5M, and C16M bonderized strip are made to chemistries that were developed in Europe. INA USA's parent company in Germany has developed manufacturing processes using these grades for manufacture of specific articles in INA's product line, and access to these grades is essential to INA USA's production of such articles.

Bonderized strip is coated on one side with a phosphate-based coating that serves as a lubricant during the production process. INA USA has a bonderizing facility at which it coats certain sizes of strip that it purchases domestically. However, the facility cannot be used to bonderize the C15M, MRST443, 16MnCr5M, and C16M strip required by INA USA because of the dimensions of these particular products. Accordingly, INA USA must rely on its European supplier to bonderize these products. These grades of bonderized strip are not available from any U.S. producer, and INA USA is wholly dependent on imports for this material. The U.S. producer that is seeking to qualify for production of one of the uncoated strip chemistries required by INA USA does not have bonderizing capability.

(d) Names and Locations of Producers

The only producer of which INA USA is aware that has the capability to produce and bonderize C15M, MRST443, 16MnCr5M, and C16M cold-rolled strip is Roechling Kaltwalzwerk, Oberlochen, Germany. This company, which is a small specialized cold-rolled steel producer in Germany, produces these products for consumption not only by INA USA, but also by other INA affiliates.

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(e) Total U.S. Consumption

Estimated and projected U.S. consumption of C15M, MRST443, 16MnCr5M, and C16M bonderized strip are set forth below, based on INA USA's purchases of these products.

Estimated (indexed)	Quantity (ST)	Value (USD)
1996	100	100
1997	92	118
1998	123	124
1999	135	136
2000	90	94

Projected (indexed)	Quantity (ST)	Value (USD)
2001	88	92
2002	88	92
2003	88	92
2004	88	92
2005	88	92

(f) Total U.S. Production

INA USA is not aware of any U.S. production of these products.

(g) U.S.-Produced Substitutes for the Product

There are no U.S. produced substitutes for C15M, MRST443, 16MnCr5M, and C16M bonderized strip.

3. **Certain Hot-Rolled Bar of Ball-Bearing Steel**

(a) Designation and HTS Number

(i) Commercial Name: 52100 hot-rolled bar.
(ii) HTS Number: 7228.30.2000

(b) Physical Description

Grade 52100 (and equivalent foreign designation) hot-rolled bar less than 30 mm in diameter. 52100 steel is a special chemistry of steel used by the bearing industry. 52100 and equivalent steel comes within the definition of "ball-bearing steel" set forth in HTSUS Chapter 72, Additional U.S. Note 1(h). Accordingly, the scope of the exclusion request is hot-rolled bar of ball-bearing steel less than 30 mm in diameter.

(c) Basis for Exclusion Request

INA USA requires 52100 hot-rolled bar in sizes under 30 mm in diameter as a manufacturing input material for various of its products. There is no qualified U.S. producer of 52100 or equivalent hot-rolled bar in these sizes. Therefore, INA USA has no choice but to purchase such material from foreign producers.

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